

**AMERICAN  
FITTINGS**

MS. GLORIA BLUE  
EXECUTIVE SECRETARY  
TRADE POLICY STAFF COMMITTEE  
OFFICE OF THE U.S. TRADE REPRESENTATIVE  
600 SEVENTEENTH STREET, N.W.  
WASHINGTON, D.C. 20508

NOVEMBER 21, 2001

DEAR MS. BLUE:

I UNDERSTAND THAT THE PRESIDENT WILL BE DECIDING SOON WHETHER TO RESTRICT IMPORTS OF STAINLESS STEEL FLANGE FORGINGS. I ALSO UNDERSTAND THAT GERLIN, INC. HAS URGED THAT STAINLESS STEEL FLANGE FORGINGS BE EXCLUDED FROM ANY RESTRICTIONS. ON BEHALF OF AMERICAN FITTINGS INC., I STRONGLY SUPPORT GERLIN'S POSITION.

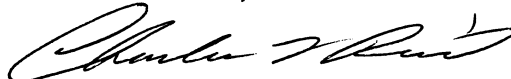
AMERICAN FITTINGS INC. IS A MANUFACTURER OF STAINLESS STEEL FLANGES AND BUTT-WELD PIPE FITTINGS. ABOUT 1 QUARTER OF OUR BUSINESS INVOLVES THE MANUFACTURE OF FLANGES, RANGING FROM ONE HALF INCH TO 24 INCHES IN DIAMETER, LARGELY WITH PRESSURE RATINGS OF 150 TO 300 POUNDS. WE HAVE MADE SUBSTANTIAL INVESTMENTS IN THE PLANT AND EQUIPMENT NEEDED TO MAKE FLANGES OUT OF FORGINGS. WE DO NOT HAVE THE CAPACITY TO MAKE FLANGE FORGINGS, SO WE NEED TO PURCHASE 100 PERCENT OF OUR FORGINGS FROM OTHER COMPANIES. WE HAVE FOUND NO DOMESTIC SUPPLIER WILLING TO SELL FORGINGS TO US AT A PRICE THAT WOULD ENABLE US TO MAKE FINISHED FLANGES AND SELL THEM IN THE UNITED STATES AT A PROFIT. THEREFORE, WE HAVE HAD TO PURCHASE FORGINGS FROM FOREIGN SUPPLIERS.

THE BASIC PROBLEM IS THAT THE DOMESTIC FORGING COMPANIES ARE ALSO FLANGE MANUFACTURERS, AND WE COMPETE WITH THEM DIRECTLY IN THE FLANGE MARKET. TIME AND AGAIN, MY COMPANY HAS ASKED DOMESTIC FORGING COMPANIES TO GIVE US PRICE QUOTATIONS FOR VARIOUS SIZES AND TYPES OF FLANGE FORGINGS, AND TIME AND AGAIN THOSE QUOTATIONS HAVE BEEN SO HIGH THAT IT IS CLEAR THAT THESE FORGING COMPANIES DO NOT WISH TO DO BUSINESS WITH US. I CAN CERTAINLY UNDERSTAND WHY OUR COMPETITORS WOULD NOT BE INTERESTED IN SELLING FORGINGS TO US AT A PRICE THAT WOULD ENABLE US TO COMPETE WITH THEM IN THE FINISHED FLANGE MARKET. WHAT I CANNOT UNDERSTAND IS WHY THE U.S. GOVERNMENT WOULD DRIVE COMPANIES LIKE MINE OUT OF THE FLANGE BUSINESS BY CUTTING US OFF FROM THE ONLY FORGING SUPPLIERS WE HAVE.

RESTRICTING IMPORTS OF FINISHED STAINLESS STEEL FLANGES WOULD BENEFIT BOTH THE INTEGRATED MANUFACTURERS OF FLANGES AND THE NON-INTEGRATED MANUFACTURERS LIKE AMERICAN FITTINGS INC. RESTRICTING IMPORTS OF FLANGE FORGINGS, HOWEVER, WOULD BENEFIT ONLY THE INTEGRATED PART OF THE U.S. FLANGE INDUSTRY. I HOPE THAT THE PRESIDENT WILL TAKE ACTION THAT HELPS THE ENTIRE STAINLESS FLANGE INDUSTRY, AND NOT ACTION THAT WILL DESTROY PART OF IT.

ON BEHALF OF MY COMPANY AND ALL OUR EMPLOYEES, THANK YOU FOR YOUR CONSIDERATION.

SINCERELY YOURS,



CHARLES L. REID, PRESIDENT